
CHUKA



UNIVERSITY

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**EXAMINATION FOR THE AWARD DEGREE OF
BACHELOR OF AGRIBUSINESS MANAGEMENT AND BACHELOR OF SCIENCE IN
AGRICULTURAL ECONOMICS**

BCOM 403: STRATEGIC MANAGEMENT

STREAMS: AGBM & AGEC Y4 S2

TIME: 2 HOURS

DAY/DATE: THURSDAY 9/04/2020

8.30 A.M – 10.30 A.M.

INSTRUCTIONS

1. Answer questions ONE and any other TWO Questions
2. Marks will be awarded for clarity and originality of ideas
3. Do not write anything on the question paper

QUESTION ONE

As the CEO of Bright Farms Ltd you have realized that your business has been growing steadily in the past. Together with your managers, you are considering two strategies in order to grow the business: opening a new branch in Uganda or diversifying into other flower varieties. A consultant has advised you that you need to adhere to the strategic success formula in choosing the right strategy. Using a cost benefit analysis, your managers are convinced that the company should diversify. However, you are concerned that they did not consider behavioural considerations.

- a) State and explain Ansoff's strategic success formula and highlight the levels of turbulence as set out by Ansoff. [10 Marks]
- b) Distinguish between strategy operationalization and strategy institutionalization and explain the challenges your organization is likely to face from internal sources in

implementing the chosen strategy and suggest any measures you will apply to overcome them. [10 Marks]

- c) Discuss any five behavioural considerations that you would consider in choosing the best strategy for your firm. [10 Marks]

QUESTION TWO

- a) The BCG matrix is one of the commonly applied methods of business portfolio analysis. Explain how business are classified using this model and illustrate your responses with businesses in the Kenyan context. [10 Marks]
- b) As the strategy manager in your organization, you are setting the strategic objectives for the next planning period. What five characteristics will you ensure you adhere to and what steps will you take to ensure you adhere to them? [10 Marks]

QUESTION THREE

- a) Threat of new entrants as one of the five forces that affect industry competition depends on the barriers to entry and the retaliation the entrant can expect. With reference to the horticultural industry in Kenya, illustrate five barriers to entry in this industry clearly showing how they affect the threat of new entry. [10 Marks]
- b) Strategic management is usually an involving and costly exercise for the organization. Explain what strategic management is and set out the value of strategic management to an organization. [10 Marks]

QUESTION FOUR

- a) Discuss the value chain analysis and show how you would apply this model in evaluating the strengths and weaknesses of an organization. [10 Marks]
- b) Traditional controls are inadequate in controlling strategies. Discuss this statement showing how strategies can be controlled. [10 Marks]